

Taking Care of Main Street, Not Wall Street.

Community Banking

Here at Citizens FSB, we know the best investments yield a high return. That's why we're investing time and money into the communities we serve. We're a part of our communities as a neighbor, a friend, and as family.



Weekly Economic News & Updates

www.citizensfsb.bank

THE WEEK ON WALL STREET

Stocks treaded water last week amid fading prospects for a stimulus bill, fears of a second wave of COVID-19 cases, and increasing political and regulatory pressures on Big Tech companies. The Dow Jones Industrial Average added just 0.07% while the Standard & Poor's 500 eked out a gain of 0.19%. The Nasdaq Composite index picked up 0.79% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, slid 2.08%.^{1,2,3}

Rocky Week

The stock market began the week by posting strong gains on hopes of a fiscal stimulus bill. Also, investors were optimistic that earnings season would reflect an improving picture of corporate performance.

But stocks stumbled midweek on a mixed bag of early earnings results, and an increase in COVID-19 cases in the U.S. and Europe. Disappointing news on some key COVID-19 treatment trials also weighed on the market, as did a jump in new jobless claims and a continued stalemate on a fiscal stimulus package.

Stocks attempted to rally on Friday, emboldened by strong retail sales, but lost momentum as trading came to a close.

Earnings Season Kicks Off

Earnings season began on an upbeat note as major banks mostly beat revenue and profit expectations. Banks attributed the strength to rising consumer deposits, a drop in the amount of money set aside for failing loans, and strong results from their investment banking and trading units.⁴

Airlines fared less well. Investors were disappointed with the quarterly reports even though the average daily cash burn at these companies generally improved. Airline management uniformly accompanied their earnings announcements with warnings of continued near-term weakness due to COVID-19.⁵

Lobbies are open!

WEEKLY QUOTE

"A person will be just about as happy as they make up their minds to be."

ABRAHAM LINCOLN

WEEKLY TIP

Consider setting up ground rules before you take someone into your home. It may be uncomfortable, but no one wants to argue over misunderstandings.

WEEKLY RIDDLE

What should the last entry be in the following sequence of numbers: 9|18, 8|46, 7|94, 6|63, 5|52, 4|___?

Last week's answer:

They all dry at the same rate and at the same time on a clothes wire.

Sources: MarketingPro, Financial Strategies Group, The Baker Group, wsj.com, bigcharts.com, treasury.gov, Randy Baker and Chris Low and Rebecca Kooshak FTN Financial

Please feel free to forward this newsletter to friends, family and colleagues.



